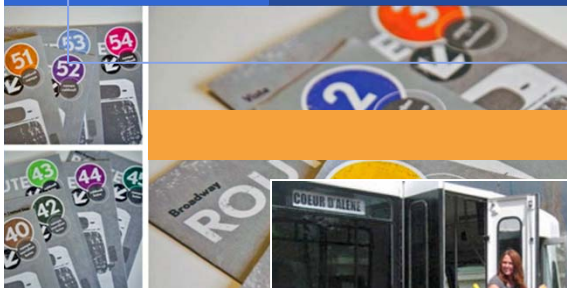




USDOT DBE Program

2018 Public Transportation Summit



Access

Equity

Partnering



Frequently Asked Questions

- ❖ What is a DBE?
- ❖ Why do we track DBE contracts & payments?
- ❖ What information do I report to ITD and/or FTA directly on DBE activity?
- ❖ What if I know they aren't any DBE's – why do I have to do this?



What is a DBE?

First, the Essentials:

A Disadvantaged Business Enterprise (DBE) is a small, for-profit business concern that is at least 51% owned & controlled by socially & economically disadvantaged individuals

(more on this later)



Why Track DBE Contracts & Payments?

Are we providing equal opportunity in contracting?

- ❖ The USDOT's DBE Program is its most important tool for ensuring that firms competing for USDOT-assisted contracts (highway, transit, airports) are not disadvantaged by unlawful discrimination
 - Contract/Payment data show whether our efforts are successful
 - Bottom Line: Federal transportation funding is conditional on DBE Program & its accompanying reporting



Why Track DBE Contracts & Payments?

Principal Components of DBE Program

- ❖ Determining what DBE participation should be in the absence of discrimination
 - Overall Annual Participation Goal (APG) for 3-Year Periods
 - Procurement Forecast
 - DBE availability & capacity compared to non-DBEs
 - Tracking where the money goes
- ❖ Prevent fraud by ensuring only eligible firms can participate as DBEs
 - ITD handles all certification in Idaho
 - Ensure Commercially Useful Function on projects



Why Track DBE Contracts & Payments?

- ❖ Recipients must meet overall 3-Year APG
 - Forecast which parts of goal will be met through “neutral” and “conscious” means
 - “Race/Gender-Neutral” = no individual DBE project goals
 - Usage of DBEs by primes is voluntary (Primes must still provide equal opportunity)
 - “Race/Gender-Conscious” = individual project goals
 - Criteria for setting project goals include location, work scope, DBE availability
 - ITD was “neutral” 1/06-9/17; began setting highway project goals in 2018



Why Track DBE Contracts & Payments?

- ❖ Recipients must meet overall APG *(continued)*
 - 9th Circuit States (including Idaho) base methodology on disparity studies to provide legal protection
 - Recipients getting direct federal-aid set their own overall APG with FTA
 - Subrecipients “umbrella” under recipient goals
 - ITD’s FFY18-20 APG is 13%, all race/gender-neutral
 - Future APG will probably be neutral/conscious mix



What Information Do I Report?

All DBE Program Activity Leads to This:

- ❖ Semi-Annual DBE Commitments/Awards & Payments Report
 - Due June 1 & December 1
 - All federal-aid **contracts awarded**
 - All federal-aid **payments made**
 - All federal-aid **contracts closed**
 - Must provide shortfall analysis if goal not met, with corrective plan of action
- ❖ Who reports?
 - Direct FTA Recipients report to FTA
 - ITD subrecipients report to ITD Public Transportation



What Information Do I Report?

The Report is in 3 Parts:

1. Awards/Commitments during this Reporting Period
 - All Prime contracts
 - All subcontracts
 - Breakdown of DBE subs (if any) by Ethnicity & Gender

Only report federal portion of contracting dollars. For example, if you are reporting a total of \$4M in contracts, and the federal percentage of participation is 97%, you report \$3,880,000.



What Information Do I Report?

Awards/Commitments this Reporting Period											
A		A	B	C	D	E	F	G	H	I	
AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD (Total contracts and subcontracts committed during this reporting period)		Total Dollars	Total Number	Total to DBEs (dollars)	Total to DBEs (number)	Total to DBEs/Race Conscious (dollars)	Total to DBEs/Race Conscious (number)	Total to DBEs/Race Neutral (dollars)	Total to DBEs/Race Neutral (number)	Percentage of total dollars to DBEs	
8	Prime contracts awarded this period	\$	#	\$ -	#	<p style="color: red; font-weight: bold;">This section only applies when there are project goals</p>		Carryover of "C" \$ Totals	Carryover of "C" # Totals	= C8 / A8	
9	Subcontracts awarded/committed this period	\$	#	\$	#			Carryover of "C" \$ Totals	Carryover of "C" # Totals	= C9 / A9	
10	TOTAL			\$ Total -	# Total			\$ Total	# Total	= C10 / A8	
B		BREAKDOWN BY ETHNICITY & GENDER		A	B	C	D	E	F		
		Total to DBE (dollar amount)			Total to DBE (number)						
		Women	Men	Total	Women	Men	Total				
11	Black American	\$ -	\$ -	\$ -	0	0	0				
12	Hispanic American	\$ -		\$ -	0	0	0				
13	Native American	\$ -	\$ -	\$ -	0	0	0				
14	Asian-Pacific American	\$ -	\$ -	\$ -	0	0	0				
15	Subcontinent Asian Americans	\$ -	\$ -	\$ -	0	0	0				
16	Non-Minority		\$ -	\$ -	0	0	0				
17	TOTAL	\$ -	\$ -	\$ -	0	0	0				



What Information Do I Report?

The Report is in 3 Parts:

2. Payments on Ongoing Contracts

- Includes *all* ongoing contracts in progress
- Does *not* have to correspond to contracts awarded during this period
- Breakdown of prime/sub contractors not necessary

Payments Made this Period							
		A	B	C	D	E	F
PAYMENTS ON ONGOING CONTRACTS		Total Number of Contracts	Total Dollars Paid	Total Number of Contracts with DBEs	Total Payments to DBE firms	Total Number of DBE firms Paid	Percent to DBEs
C							
18	Prime and subcontracts currently in progress	#	\$	#	\$	#	= D / B



What Information Do I Report?

The Report is in 3 Parts:

3. Total Payments on Contracts Completed This Reporting Period

- Closed Out = finalized, no more payment or activity
- Contracts *don't* have to be related to first 2 parts

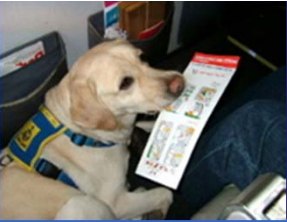
		A	B	C	D	E
D	TOTAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD	Number of Contracts Completed	Total Dollar Value of Contracts Completed	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	Percent to DBEs
19	Race Conscious	#	\$	= C21 * APG	Only for Contracts <u>with</u> DBE Project Goals	
20	Race Neutral	#	\$		\$ to DBEs on projects without goals	= D20 / B20
21	Totals	# Total	\$ Total		\$ Total	D21 / B21



What Information Do I Report?

The Dreaded “Fourth Part”: Shortfall Analysis

- ❖ If June 1 + December 1 reports (added together) fail to meet the APG:
 - Identify the reasons why
 - Deviation from procurement forecast?
 - What worked? What didn't work?
 - Were race/gender-neutral measures enough?
 - Describe the steps you will take to increase DBE participation to achieve the APG in the next fiscal year
 - May include to changes to RC/RN projections (increase “conscious” project goals)
 - Additional measures for recruitment/outreach
 - Create Action Plan to implement steps



No DBEs: Do I Have to Report?

Why do I have to do this if I have no DBEs to report?

- ❖ FTA must be informed about outcome
 - Did you meet the goal?
 - Did you *not* meet the goal?
- ❖ No DBEs to report? Explain why in shortfall analysis
 - Problems with availability?
 - Procurement Forecast (which set APG) didn't match actual contracting activities?
 - Literally was no contracting activity in any of three areas (unlikely)?



Identifying & Recruiting DBEs

Maybe you're using certified or potential DBEs
without realizing it!

❖ All Idaho-certified DBEs are listed at:

<https://itd.dbesystem.com>

- Search/Download

❖ Maybe your vendors are eligible for certification!

❖ OCR presents annual “Doing Business with the Government” workshops statewide Oct.-March: check with us for schedule



Qualifying as a “DBE”

- ❖ Firm is existing, operational & for profit
- ❖ Firm is independent & self-sufficient
- ❖ No “umbilical cord” relationships
- ❖ Small Business Concern
 - Size limits based on SBA’s standards per NAICS code
 - Cannot exceed USDOT’s \$22.41 million ceiling



Identifying & Recruiting DBEs

Presumed to be “Socially & Economically Disadvantaged”

- ❖ Asian-Indian Americans
- ❖ Asian-Pacific Americans
- ❖ Black Americans
- ❖ Hispanic Americans
- ❖ Native Americans
- ❖ **Women**

AND:

Adjusted personal net worth – excluding primary residence & interest in applicant business – must be less than \$1.32 Million



Identifying & Recruiting DBEs

Case-By-Case Basis

(White Males)

- ❖ Chronic & Substantial Social Disadvantage in the U.S.
- ❖ Negative impact in business world because of social disadvantage
- ❖ Can document all of the above



Identifying & Recruiting DBEs

- ❖ Owner has Operational & Managerial Control
 - Highest authority
 - No limits or restrictions
 - Can delegate, but still retain ultimate authority
- ❖ Owners can establish at least 51% ownership
 - Documentation of capital contributions used to start business



Identifying & Recruiting DBEs

❖ Certification Application

- On-line at <https://itd.dbesystem.com>
- DBE Program Coordinator reviews app, requests additional info as needed
- Committee makes eligibility determination
- Decisions can be appealed

❖ Annual “No Change” Affidavits

❖ Must be certified in home state before applying in other states



Questions Afterwards?

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Visit us online at:

<http://apps.itd.idaho.gov/apps/ocr/index.aspx>